

Message Text

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ACTION ARA-14

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E. O. 11652: N/A

TAGS: ELAB, ETRD, SHUM, CI

SUBJECT: LABOR PROBLEMS AT CHUQUICAMATA COPPER MINE

1. SUMMARY: ONCE CHILE'S HIGHEST PAID WORKERS, THE COPPER MINERS HAVE SEEN THEIR RELATIVE SUPERIORITY DECLINE AND, LIKE OTHER WORKERS, OBJECT STRONGLY TO THE ABSENCE OF TRADE UNION FREEDOMS. GOVERNMENT IMPOSED LEADERS DO NOT HAVE SIGNIFICANT SUPPORT FROM RANK-AND-FILE. REMINISCENT OF DIFFICULTIES LAST YEAR AT EL TENIENTE, THE PRESENT FOCUS OF UNREST IS THE GIANT CHUQUICAMATA MINE. LABOR MINISTER COSTA VISITED THE MINE EARLY THIS WEEK AND GOC APPOINTED COPPER MINER LEADER BERNARDINO CASTILLO WAS HOOTED OUT OF A MEETING. THERE ARE PROMISES TO STUDY THE MINERS' REQUESTS. THERE ARE ALSO REPORTS THAT UP TO 500 WORKERS WILL BE FIRED IN ORDER TO BRING THE SITUATION UNDER CONTROL. END SUMMARY.

2. THE WORKERS IN THE COPPER SMELTER AT CHUQUICAMATA MINE COMPLEX WENT ON A LUNCH STRIKE JULY 31 TO PROTEST THEIR INADEQUATE WAGES AND INFLATION-REDUCED CONTRACTUAL BENEFITS. THE WORKERS REFUSED TO GO TO THE DINING ROOMS TO EAT THE MID-DAY MEAL SAYING THAT THEY COULD NOT BRING LUNCH TO WORK SINCE THEY COULD

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NOT ADEQUATELY FEED THEIR FAMILIES AT HOME. THERE HAS BEEN NO VIOLENCE.

3. LABOR MINISTER VASCO COSTA CONDUCTING A TOUR OF THE NORTHERN PROVINCES HELD TWO SEPARATE MEETINGS WITH WORKERS' REPRESENTATIVES IN THE MINING TOWN OF CALAMA. THE FIRST FOR ONE HOUR WITH OVER EIGHTY LEADERS FROM LOCAL TRADE UNIONS AND THE OTHER WITH

CHUQUICAMATA COPPER LEADERS. BOTH GROUPS PROTESTED THEIR WAGES AND BENEFITS AND CONDEMNED THE NEW RECENTLY PUBLISHED LABOR CODE. THE COPPER LEADERS SPECIFICALLY ASKED THE LABOR MINISTER FOR A SPECIAL RE-ADJUSTMENT OF THEIR WAGES AND SALARIES, AN INCREASE IN THEIR HARDSHIP PAY (ASIGNACION DE ZONA), A READJUSTMENT OF THEIR BENEFITS AND RESPECT BY THE GOVERNMENT FOR CONTRACTUAL BENEFITS GAINED DURING PREVIOUS GOVERNMENTS. THE LABOR MINISTER PROMISED TO TAKE THESE MEASURES UP WITH THE MINISTER OF MINES AND PRESIDENT PINOCHET.

4. AFTER THE MEETING WITH COSTA, THE COPPER LEADERS WERE PERMITTED TO HOLD AN ASSEMBLY TO REPORT THEIR CONVERSATIONS WITH THE LABOR MINISTER. ABOUT 4,000 MINERS SHOWED UP. AS ALL PRESIDENTS OF COPPER LOCALS IN CHUQUICAMATA HAVE BEEN APPOINTED BY THE GOVERNMENT, THE ASSEMBLY CHOSE CARLOS OGALDE, THE ONLY ELECTED TRADE UNION LEADER IN CHUQUICAMATA MINE COMPLEX TO PRESIDE AT THE MEETING. SEVERAL LOCAL LEADERS PRESENT AT THE MEETING WITH COSTA SPOKE. HOWEVER, THE ASSEMBLY REFUSED TO HEAR THE GOVERNMENT APPOINTED PRESIDENT OF THE COPPER WORKERS CONFEDERATION (CTC), BERNARDINO CASTILLO, AND BOOED HIM OUT OF THE MEETING. CASTILLO LATER EXPLAINED TO THE PRESS THAT THE WORKERS' REACTION WAS NOT SO MUCH AGAINST HIM BUT AGAINST THE GOVERNMENT WHICH HAD NOT RESPONDED TO HIS REPEATED REQUESTS TO IMPROVE THE ECONOMIC SITUATION OF THE COPPER WORKERS. ONE OF GOVERNMENT APPOINTED TRADE UNION LEADERS, MANUEL VIDAL, HAD ANOTHER OPINION. HE STATED THAT THE WORKERS BOOED CASTILLO LIMITED OFFICIAL USE

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BECAUSE HE DID NOT REPRESENT THEM. THE ASSEMBLY DECIDED TO CONTINUE THEIR REFUSAL TO EAT LUNCH AND TO EXTEND THE PROTEST TO INCLUDE OTHER WORKERS AT THE GIANT COPPER FACILITY.

5. THE NEXT DAY, AUGUST 9, THE PRESIDENT OF THE STATE COPPER COMPANY, CODELCO, GENERAL (R) ORLANDO URBINA, MET WITH THE DIRECTOR OF SALES, COLONEL JORGE MUNOZ, AND THE DIRECTOR GENERAL OF THE CHUQUICAMATA DIVISION, HANS FEDDERSON. URBINA TOLD THE PRESS THAT THERE WAS NO LABOR PROBLEM AT CHUQUICAMATA AS THE WORKERS HAD BEEN REPORTING TO WORK NORMALLY. URBINA SAID THAT IT WAS WITHIN THE WORKERS' RIGHT TO REFUSE TO EAT LUNCH. URBINA CONTINUED THAT HE PERSONALLY UNDERSTOOD THE PROBLEMS OF THE COPPER WORKERS BUT COULD NOT INTERFERE AS THE WORKERS HAD CHOSEN THE MINISTER OF LABOR AS THEIR INTERMEDIARY TO HELP RESOLVE THE PROBLEMS WITH THE COMPANY. URBINA PLACED TELEPHONE CALLS TO CASTILLO AND OTHER COPPER LEADERS TO GAIN A BETTER UNDERSTANDING OF THE SITUATION.

6. FOLLOWING THESE CONVERSATIONS, URBINA REPORTEDLY ORDERED THE FIRING OF SIX WORKERS WHO SPOKE EXTEMPORANEOUSLY AT THE ASSEMBLY. URBINA HAD ADDRESSED THE CHUQUICAMATA COMMUNITY AUGUST 10 OVER THE LOCAL RADIO STATION STATING THAT THE GOC WOULD NOT

RESPOND TO ANY DEMANDS MADE UNDER PRESSURE. URBINA URGED THE WORKERS TO GIVE UP THEIR "HUNGER" STRIKE AND CHANNEL ALL THEIR COMPLAINTS AND PROBLEMS THROUGH THE GOVERNMENT-RECOGNIZED LABOR LEADERS. THE BOARD OF DIRECTORS OF THE TWO LARGEST TRADE UNIONS IN CHUQUICAMATA SENT AN OFFICIAL COMMUNIQUE TO THE PRESS REQUESTING THE WORKERS TO REMAIN CALM AND ORDERLY. THE STATEMENT THEN ASKED THE GOVERNMENT TO REINSTATE WORKERS WHO WERE FIRED FOR SPEAKING OUT AT THE AUGUST 8 UNION ASSEMBLY AND NOT TAKE ADDITIONAL ACTION TO FIRE OTHERS. THE CTC SENT A LETTER TO PINOCHET POINTING OUT THAT WHEREAS COPPER MINERS WERE PAID APPROXIMATELY 183 DOLLARS A MONTH BEFORE TAXES AND TOOK HOME APPROXIMATELY 110 DOLLARS A MONTH CODELCO REPORTED 178 MILLION DOLLARS IN NET PROFITS IN 1976 AND 159 MILLION IN 1977. IN ADDITION, THE LABOR LEADERS POINTED OUT THAT THE GOVERNMENT HAD GIVEN CODELCO A SPECIAL LIMITED OFFICIAL USE

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TAX BENEFIT TOTALLING 74 MILLION DOLLARS. THE LETTER CONCLUDED WITH A REQUEST FOR AN UNSPECIFIED INCREASE IN MINERS' WAGES.

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C O R R E C T E D C O P Y - C L A S S I F I C A T I O N L I M I T E D O F F I C I A L U S E
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7. COMMENT: ALMOST TWO YEARS AGO, SEPTEMBER 6, 1976, THE GOVERNMENT

OUSTED THE DEMOCRATICALLY ELECTED LEADERS OF THE CTC AND APPOINTED CASTILLO TO FILL THE TOP POSITION. A YEAR AFTER HIS APPOINTMENT, THE MINE WORKERS AT EL TENIENTE MINE REFUSED TO EAT THEIR LUNCH TO PROTEST THEIR ECONOMIC SITUATION, A FEW MONTHS LATER THE WORKERS STAGED A ONE DAY WORK STOPPAGE TO PROTEST THEIR LOW PAY. THE GOVERNMENT FIRED AND RUSTICATED THE FOUR TRADE UNION LEADERS INVOLVED IN THIS PROTEST. IT HAS ALSO JAILED WORKERS PROTESTING LOW WAGES AT THE EL SALVADOR MINE.

8. CHILE'S COPPER WORKERS ENJOYED A HIGHLY FAVORABLE SITUATION WHEN THE BIG MINES WERE OWNED BY FOREIGN COMPANIES. THEY DEMANDED AND RECEIVED THE HIGHEST WAGES PAID TO WORKERS IN CHILE. UNDER GOVERNMENT OWNERSHIP SINCE 1971, THE WORKERS HAVE SEEN THEIR RELATIVE ADVANTAGE DECLINE. SINCE 1973, LIKE ALL OTHER WORKERS, THEY HAVE BEEN PROHIBITED FROM MEETING, ELECTING THEIR OWN LEADERSHIP, STRIKING, OR ENGAGING IN COLLECTIVE BARGAINING. WITH THE SHARP DROP IN THE PRICE OF COPPER DURING THE PAST THREE YEARS, LIMITED OFFICIAL USE

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AND THE GOVERNMENT'S CONCERN TO EXTRACT AS MUCH REVENUE AS POSSIBLE FROM STATE-OWNED INDUSTRIES, THERE HAS BEEN RELUCTANCE TO EVEN MAINTAIN THE REAL VALUE OF WAGES. BERNARDINO CASTILLO IS SEEN BY MOST WORKERS AS A GOVERNMENT STOOGE AND THE PATIENCE OF THE WORKERS WITH THEIR PRESENT SITUATION IS WEARING THIN. THE GOC HAS TWO CHOICES, OR PERHAPS A COMBINATION OF THE TWO. IT WILL, WE BELIEVE, FIRE SOME EMPLOYEES, ALTHOUGH PERHAPS NOT THE 500 NOW RUMORED, IN ORDER TO FRIGHTEN OTHERS INTO SUBMISSION; SUBSEQUENTLY, IN AN EFFORT TO BOLSTER CASTILLO'S POSITION, IT MAY APPROVE SOME INCREASE IN BENEFITS OR WAGES. LANDAU

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